



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Board of Supervisors  
**Department No.:** 011  
**For Agenda Of:** October 1, 2024  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Board Member(s) Das Williams, 1<sup>st</sup> District Supervisor (805) 568-2186  
Contact Info: Spencer Brandt, (805) 568-2155

**SUBJECT:** Resolution in Support of Proposition 35: Provides Permanent Funding For Medi-Cal Health Care Services Initiative

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence:

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

- a) Adopt a Resolution in support of Statewide Ballot Proposition 35, the “Provides Permanent Funding For Medi-Cal Health Care Services Initiative” on the November 5, 2024 General Election ballot; and
- b) Determine that the above actions are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment and are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

**Summary Text:**

Proposition 35, the “Provides Permanent Funding For Medi-Cal Health Care Services Initiative” will appear on the November 5, 2024 statewide ballot. Passage by a majority of voters in the State of California would make permanent a levy on managed care organizations, known as the Managed Care Organization Provider (MCO) tax, that enables the State to draw down Federal Medicaid funding for Medi-Cal.

Currently, the existing MCO tax is set to sunset at the end of 2026, and the passage of Proposition 35 would make it permanent beginning in 2027. Passage of Proposition 35 would also create rules on how to use the revenue. Generally, these rules require the state to use more of the revenue to increase funding

for Medi-Cal and other health programs. These provisions mean that Proposition 35 will provide a dedicated stream of revenue to support health programs despite volatility in the State budget.

**Background:**

The Medicaid program was signed into law in 1965 alongside Medicare. Medi-Cal provides access to healthcare services for millions of California residents, including over 160,000 individuals and over 60,000 children in Santa Barbara County.

The County of Santa Barbara Public Health Department operates 5 Federally Qualified Health Centers and 3 homeless shelter-based clinics across the region, offering a wide variety of services including primary care, internal medicine, women’s services and family planning, and child exams. Since 2012 the number of Medi-Cal enrollees assigned by CenCal Health to Santa Barbara County Public Health has more than doubled.

Researchers and advocates often cite lower payment rates and provider reimbursements as the main reason that fewer health care providers are willing to treat Medi-Cal enrollees. In a recent study, Medi-Cal enrollees report more problems finding doctors who would accept their insurance compared to people with employer-based insurance or Covered California plans, even after adjusting for socio-economic factors and health status.

The LAO estimates that should the initiative be approved by a majority of California voters, additional funding would be allocated to healthcare systems serving Medi-Cal patients, including those of the County of Santa Barbara.

**Fiscal and Facilities Impacts:**

No financial impacts.

**Attachments:**

- Attachment A: Resolution in support of Proposition 35
- Attachment B: Text of Proposition 35
- Attachment C: Legislative Analyst’s Office Analysis

**Authored by:**

- Spencer Brandt, District Representative, 1<sup>st</sup> District (805) 568-2155